

MEMORANDUM FOR: Deputy Director (Support)

25X1A6A

SUBJECT : Shortage of Funds at the [] Stations

1. PROBLEM

25X1A6A

25X1A9A a. A shortage of [] (\$130.49) occurred while [] was custodian of the funds at the [] Station. The Chief, FE Division has recommended that the individual be relieved of accountability. 25X1A6A

25X1A9A b. A shortage of [] (\$43.66) occurred while [] was custodian of the funds at the [] Station. The Chief, FE Division has recommended that the individual be relieved of accountability. 25X1A6A 25X1A9A

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25X1A9A c. A shortage of [] (\$168.67) occurred while [] was custodian of funds at the [] Station. The Chief, FE Division has recommended that the individual be relieved of accountability of the sum. 25X1A6A

2. FACTS BEARING ON THE PROBLEM

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a. [] shortage occurred during the period 1 April 1952 through 31 March 1953.

This shortage was revealed when on 1 April 1953 the first cash count since 1 April 1952 was conducted.

It is impossible to ascertain the exact period that the shortage occurred or what caused it.

25X1A9A b. [] The shortage charged to [] occurred during the period 12 - 30 April 1953. 25X1A9A

It was revealed when subject was unable to balance his Summary Accounting for the period ended 30 April 1953.

Subject believed shortage was connected with a sum of like amount reported in advances outstanding. An examination revealed that there was no connection between the two sums. See paragraph 10(c) of [] (TAB "F").

25X1A2G

25X1A9A c. [] The shortage occurred at an indeterminate
25X1A9A date during the period [] was custodian.

25X1A9A It was discovered on 10 September 1953 at the time subject
turned over accountability to []

The original shortage, as reported at the time of the transfer
of funds, was [] (TAB "H"). This was
discovered to be in error by [] and was
corrected (TAB "G").

It has not been determined when or how the shortage occurred.

A. DISCUSSION

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25X1A9A a. [] The shortage of []
(\$130.49) was shown in the [] March 1953 Accounting and was
discovered only after a cash count was conducted on 1 April
1953, the first since 1 April 1952. The shortage occurred in
the intervening period and was probably a result of the inadequate
records maintained by subject. (Paragraph 10(b) TAB "F"). It
is also stated in paragraph 9 (TAB "F") that confusion and
misunderstanding prevailed, but that there seemed to be no
indication of carelessness or negligence. Subject stated
(TAB "D"), that he "fully recognizes the direct connection
between inadequate bookkeeping during the period in question
and the resulting discrepancies. He is therefore prepared to
write a personal check in the amount of the shortage."

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25X1A9A b. [] The shortage of [] (\$43.66)
was discovered at the end of the accounting period, 12 - 30 April
1953, when subject was unable to balance the Summary Accounting
for that period. The first contention that the amount might
be connected with [] account was shown to be incorrect.
25X1A9A Efforts were made to determine the reason for the shortage but
were inconclusive. Therefore, it must be concluded that there
25X1A9A existed an actual cash deficit, which [] agreed to
"make up out of pocket." (TAB "E").

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25X1A9A c. [] The shortage of [] (\$160.67)
25X1A9A was discovered when [], the retiring custodian, turned over the
25X1A9A cash to []. The shortage occurred during the period when
Haley was custodian of funds, but remained undisclosed because
periodic cash counts were never conducted. (TAB "G", paragraph 4).
Efforts were made to ascertain the reasons for the shortage,
but these were all inconclusive.

4. CONCLUSIONS

- 25X1A9A a. [] failed to comply with existing Agency regulations concerning handling and safekeeping of funds. He failed to maintain adequate records as required by regulations and failed to make a cash count for one year. Therefore, the shortage is a result of laxity in handling funds rather than attributable to inexperience.
- 25X1A9A b. [] failed to comply with Agency regulations concerning the handling and safekeeping of funds. The shortage was not the result of inexperience on the part of the individual but the failure to follow standard operating procedures in the handling of funds.
- 25X1A9A c. [] failed to comply with existing Agency regulations concerning the handling and safekeeping of funds and failed to maintain bookkeeping records as required by regulations. The shortage was not the result of inexperience in financial techniques but was caused by the laxity of the individual in handling funds in that he never conducted a cash count and his failure to act in a reasonable and prudent manner.

5. RECOMMENDATIONS

- 25X1A9A a. [] It is recommended that [] be held pecuniarily liable in the amount of \$130.49. 25X1A9A
- 25X1A9A b. [] It is recommended that [] be held pecuniarily liable in the amount of \$43.66. 25X1A9A
- 25X1A9A c. [] It is recommended that [] be held pecuniarily liable in the amount of \$160.67. 25X1A9A

[]

Chairman, Board of Review
for Shortages and Losses

CONCUR

25X1A9A

[]

Audit Office

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[]

Security Office

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[]

General Counsel

[]

Deputy Director (Plans)

A. King
Comptroller

Memorandum from the Board of Review for Shortages and Losses dtd 1 Nov 55, ^{25X1A6A}
SUBJECT: Shortage of Funds at the [REDACTED]

RECOMMENDATIONS IN PARAGRAPH 5 ARE
APPROVED:

25X1

[REDACTED]

Deputy Director (Support)

1 Nov 55
Date